

75-3-809 Secured claims.

Payment of a secured claim is upon the basis of the amount allowed if the creditor surrenders his security; but otherwise payment is upon the basis of one of the following:

- (1) If the creditor exhausts his security before receiving payment (unless precluded by other law) upon the amount of the claim allowed less the fair value of the security; or
- (2) If the creditor does not have the right to exhaust his security or has not done so, upon the amount of the claim allowed less the value of the security determined by converting it into money according to the terms of the agreement pursuant to which the security was delivered to the creditor, or by the creditor and personal representative by agreement, arbitration, compromise, or litigation.

Amended by Chapter 30, 1992 General Session